

# ARKANSAS ETHICS COMMISSION

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April 12, 2022

Responsible Taxation for Little Rock  
Attn: Lance Hines  
701 W. 7<sup>th</sup> St., Suite 1500  
Little Rock, Arkansas 72201

**Re: Case No. 2021-CO-021**

Dear Mr. Hines:

On September 24, 2021, the Ethics Commission mailed Responsible Taxation for Little Rock a certified letter containing a copy of the citizen complaint filed against it in the above-referenced case.

Briefly restated, the essential allegations of the complaint were as follows:

1. The Responsible Taxation for Little Rock committee is a legislative question committee ("LQC") as that is defined in Ark. Code Ann. § 7-9-402(10)(A).
2. As an LQC, Responsible Taxation for Little Rock is required to file certain financial disclosure reports which contain the information mandated by Ark. Code Ann. § 7-9-407.
3. The Arkansas Ethics Commission has explained that, when a committee pays a third party who then makes expenditures on behalf of the committee, the committee must list the actual person or entity to which money ultimately went and may not simply report the name of the consultant/middleman entity.
4. Responsible Taxation for Little Rock has violated all of the aforementioned provisions of Ark. Code Ann. § 7-9-407 in multiple ways as described herein.
5. Responsible Taxation for Little Rock's September 7, 2021 Report:
  - (a) lacks street addresses for Ronald Cameron, Arkansas Competes, and James Purifoy, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii);

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- (b) lacks required information for “Place of Business Employer/Occupation” for Drew Dees, Brent Staley, Dani Martin, Andrew Collins Jr., Russell Matchett, Ryan Holder, Kathy/Pat Meriwether, John Nabholz, Michael McAfee, Tad Phillips, Andy Rossi, James Purifoy, Ralph Bradbury, and Lisenne Rockefeller, in violation of Ark. Code Ann. § 7-9-407(2)(A)(viii);
- (c) lacks a street address for the expenditure made to Raise The Money, in violation of Ark. Code Ann. § 7-9-407(3);
- (d) lists a \$5,000.00 expenditure to Red Tusk Campaigns for “Digital Marketing,” but does not specify the company or companies that were actually paid for some or all of the marketing that was done, in violation of Ark. Code Ann. § 7-9-407(3);
- (e) lists a \$7,500.00 expenditure to Red Tusk Campaigns for “Digital Marketing,” but does not specify the company or companies that were actually paid for some or all of the marketing that was done, in violation of Ark. Code Ann. § 7-9-407(3); and
- (f) lists a second \$7,500.00 expenditure to Red Tusk Campaigns for “Digital Marketing,” but does not specify the company or companies that were actually paid for some or all of the marketing that was done, in violation of Ark. Code Ann. § 7-9-407(3).

6. Responsible Taxation for Little Rock’s August 16, 2021 Report:

- (a) lacks street address for Little Rock Athletic Centers, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii); and
- (b) lacks an entry for “Place of Business Employer/Occupation” for Little Rock Athletic Centers, Dennis Adkins, Andrew Kurris, June Mathney, Mary Wells, Steve Ratcliff, and Melanie Fox, in violation of Ark. Code Ann. § 7-9-407(2)(A)(viii).

Please be advised that on April 6, 2022, the Ethics Commission received the written Offer of Settlement which Monty Baugh signed on behalf of Responsible Taxation for Little Rock on April 6, 2022, and emailed to us. Pursuant to the terms of that offer, Responsible Taxation for Little Rock has been issued a Public Letter of Caution. We are enclosing a copy of the public letter.

In accordance with Ark. Code Ann. § 7-6-218(b)(1)(C), this letter serves as notice of the Commission’s final action together with the reasons for such action. In that regard, we note that the final action concerning this matter was the issuance of a Public Letter of Caution and the imposition of a one hundred dollar (\$100.00) fine. As part of the settlement, Responsible Taxation for Little Rock will be required to amend its financial report, which was filed on September 7, 2021, and amended November 4, 2021, within thirty (30) days of the date of this letter to include

payments totaling one hundred dollars (\$100.00) or more made by Red Tusk Campaigns on behalf of Responsible Taxation for Little Rock.

The foregoing action was taken as a result of Monty Baugh signing a written Offer of Settlement pursuant to which it was agreed that the Commission make a finding that Responsible Taxation for Little Rock violated Ark. Code Ann. § Ark. Code Ann. § 7-9-407 by failing to properly fill out its financial reports.

This letter is a public document and a copy is being sent to the complainant, Matthew Campbell, to notify him of the outcome of these proceedings.

If you have any questions regarding this matter, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Graham F. Sloan". The signature is written in a cursive style with a large initial "G".

Graham F. Sloan  
Director

Enclosures

cc: Mr. Matthew Campbell